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\$1,480,000 AWARDED FOR THREE AFFORDABLE HOUSING PROJECTS

Meagher County, Miles City, and Shelby Share CDBG Funds

(HELENA, Mont.) – The Montana Department of Commerce has awarded \$1,480,000 in federal Community Development Block Grant (CDBG) funds to three Montana communities. Meagher County, Miles City, and Shelby will receive housing grants to assist low and moderate income families.

“The CDBG Program is vital to helping hard working families and seniors across Montana and I am a strong supporter of it,” said Governor Brian Schweitzer. “Projects like these make a real difference in people’s lives.”

“These projects will address important issues facing Montanans in these communities and I am pleased we were able to award these grants,” said Tony Preite, Director of the Montana Department of Commerce. “Too many families and senior citizens are forced to live in undesirable conditions. The efforts in these communities will create a better standard of living for those people and make sure they can live in a safe and healthful environment.”

Meagher County will receive \$500,000 to build a new senior rental housing complex, the Castle Mountain Apartments, which will be owned and managed by the Meagher County Senior Center. CDBG funds will purchase land and build the first 10 apartments. The proposed apartment complex site includes enough space for a future project that could include an additional 20 units, for a total of 30 new senior apartment units. The project will help seniors to stay close to the community and their families instead of moving to Great Falls or Billings for retirement living.

Miles City was awarded \$500,000 for the restoration and rehabilitation of the Old Holy Rosary Hospital, which was built in 1910. Miles City faces a shortage of affordable apartments for families and this project will provide three one-bedroom units, six two-bedroom units, and 12 three-bedroom units, all for low and moderate income families. No new affordable apartments have been built in Miles City in over 30 years and according to a 2004 study, only three apartments were available in the entire city.

Shelby will receive \$480,000 to utilize CDBG funds for a housing and community renewal project. Many people working in Shelby commute from places such as Conrad or Cut Bank because they cannot find decent, affordable housing in Shelby. This project will demolish vacant, dilapidated buildings and replace them with new homes

with the help of Neighborhood Housing Services based in Great Falls. The plan also includes homebuyer assistance for families to purchase one of these new homes or an existing home. Twelve low to moderate income families will benefit from this project.

The CDBG funds come to Montana through the U.S. Department of Housing and Urban Development (HUD). The Montana Department of Commerce manages the funds under an agreement with HUD. The CDBG applications are evaluated and ranked by Commerce staff based upon established criteria.

Director Preite pointed out that CDBG is facing a proposed 25 percent funding cut from the Bush Administration on top of a 10 percent cut it received in Federal Fiscal Year 2006. CDBG is one of a few programs designed to help low and moderate income families and has been the main funding source for rebuilding efforts in the hurricane damaged areas of Louisiana and Mississippi. As a result of the 2006 budget cuts, the Montana CDBG Program funded only 10 housing and public facility projects, down from 14 in 2005.